

EXHIBIT 2

1
2 UNITED STATES DISTRICT COURT
3 SOUTHERN DISTRICT OF NEW YORK
4 CASE NO. 18-CV-6658(JSR)
5 CASE NO. 18-CV-10936(JSR)

6 -----
7 IN RE: PLATINUM-BEECHWOOD LITIGATION
8 -----

9 MARTIN TROTT and CHRISTOPHER SMITH, as Joint
10 Official Liquidators and
11 Foreign Representatives of
12 PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.
13 (in Official Liquidation), and
14 PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.
15 (in Official Liquidation),

16 Plaintiffs,

17 vs.

18 PLATINUM MANAGEMENT (NY) LLC, et al.,

19 Defendants.
20 -----

21 VOLUME III

22 TRANSCRIPT OF VIDEOTAPED DEPOSITION OF
23 MARTIN TROTT

24 TRANSCRIPT of the stenographic notes of
25 the proceedings in the above-entitled matter, as
taken by and before TAB PREWETT, a Registered
Professional Reporter, a Certified LiveNote
Reporter, Certified Shorthand Reporter and Notary
Public, held at the offices of US Legal Support
Company, 90 Broad Street, Suite 603, New York,
New York, on Tuesday, September 24, 2019,
commencing at 9:32 a.m.

1 Martin Trott - Volume III

2 Q In -- in terms of the Foundation
3 and when it was formed, isn't it a fact that it
4 was formed in 1998, almost 14 years before the
5 events at issue?

6 A If -- if that's what you are
7 telling me, then I have no reason to disbelieve
8 that.

9 Q Let's look at the Second Amended
10 Complaint. We are going to go through a number
11 of these allegations. The Second Amended
12 Complaint is Exhibit 3. Do you need another
13 copy? Does anybody need another copy.

14 (Previously Marked Exhibit No. D 3,
15 Second Amended Complaint, Document is
16 introduced into the proceedings.)

17 Q I really want to get rid of these
18 copies, if anybody wants a copy.

19 MR. BROWNLEE: Here, I'll take one.

20 Q All right. Now, in the complaint,
21 I am going to first call your attention to the
22 allegations -- let's start in paragraph 151.

23 Now, in paragraph 151, there are
24 allegations concerning Hutton Ventures LLC.

25 Do you recall that?

1 Martin Trott - Volume III

2 A I do see that, yes.

3 Q And what -- what do you recall as
4 the basis for these allegations?

5 A That, as part of our
6 investigations, the Hutton Ventures loans came up
7 from the Huberfeld Family Foundation; and, as
8 part of that same investigations, the link
9 between Hutton Ventures and ultimately a
10 property -- a real estate property owned by the
11 Nordlichts was being -- was part of -- part of
12 loans as well in connection with the same Hutton
13 Ventures.

14 Q How did you come up with the
15 allegation that Hutton -- Hutton Ventures LLC was
16 a company involved in a student loan scam where
17 indebted students were defrauded?

18 A I can't recall the -- this would
19 have been part of our investigations, and I can't
20 recall the precise document.

21 Q Okay. So you are charging the
22 Foundation with working with a company that was
23 involved in a student loan scam where indebted
24 students were defrauded.

25 That's a serious allegation;

1 Martin Trott - Volume III

2 wouldn't you say?

3 A The whole complaint is a very
4 serious allegation.

5 Q And so what did you do to verify
6 that that was, in fact, true?

7 A Again, I refer to my previous
8 answer. I can't recall off the top of my head
9 the documents that form the basis of that
10 allegation.

11 Q Was a Google search done and it
12 came up with an article about a scam like that?

13 A Again, I can't recall the precise
14 document.

15 Q Let me mark -- I'm going to mark
16 this as Exhibit 124.

17 (Exhibit No. D 124, Three-Page
18 Document, a State of New York Bureau of
19 Consumer Fraud notice, a business search in
20 California, and a Delaware Division of
21 Corporations search, Document is marked by
22 the reporter for identification.)

23 Q Exhibit 124 is a three-page
24 document, and it is a -- starts with a State of
25 New York Bureau of Consumer Fraud notice. And

1 Martin Trott - Volume III

2 then it has a business search in California. And
3 then the third page is a Delaware Division of
4 Corporations search.

5 I have another one for you.

6 So looking at the first page, you
7 will see that there is a summons and complaint
8 from the New York Bureau of Consumer Frauds.
9 This is -- looks to be an affidavit of service.

10 It's on a company, Hutton Ventures
11 LLC; and you see the address there, 4 Hutton
12 Center Drive, Suite 220, Santa Ana, California.

13 Do you see that?

14 A I do.

15 Q Now, this, I will represent to you
16 is in connection with the student loan scam.

17 If you look at the second page,
18 again, jurisdiction California, do you see the
19 registration date of 5/2/2016?

20 A I do, yeah.

21 Q And you see the same address in
22 California, correct?

23 A Yes.

24 Q Now, I want to show you
25 California -- excuse me -- a Delaware Department

1 Martin Trott - Volume III
2 of State Division of Corporations sheet. And it
3 refers to a Hutton Ventures LLC, a company that
4 was incorporated on 5/28/2015, with a residency
5 in Delaware, a domestic Delaware corporation.

6 Do you see that?

7 A I do.

8 Q These are two separate companies;
9 aren't they?

10 A It would -- I'm not an expert on
11 companies in the US, but it would appear on the
12 basis of these documents that that's the case.

13 Q Now, the allegation here is that,
14 in September, December of 2016, a loan was
15 provided, correct, to the Hutton Ventures, and
16 referring to paragraph 151 of the Second Amended
17 Complaint?

18 A Yes.

19 Q So let me mark now as Exhibit 125,
20 the 2016 tax return of the Foundation.

21 (Exhibit No. D 125, 2106 Huberfeld
22 Family Foundation Tax Return, Bates stamped
23 HFF 000381 to 508, Document is marked by
24 the reporter for identification.)

25 Q If you could turn -- you will see

1 Martin Trott - Volume III
2 the Bates numbers on the bottom of this tax
3 return -- it's marked -- Bates stamped HFF 000381
4 to 508 Bates stamped HFF 000381 to 508.

5 If you could turn to -- so HFF 415,
6 414 and 415. Let's start with 414.

7 Do you see on the top, the date of
8 the note is 1/6/16?

9 Do you see that?

10 A I do, yep.

11 Q Now, if you go back to exhibit --
12 to the prior exhibit, the second page, the Hutton
13 Ventures in California was not even formed until
14 5/2/2016; was it?

15 A The California one.

16 Q Yes. The second page.

17 A Yes, I see that.

18 Q Whereas, if you turn to the third
19 page, the one in Delaware was formed May 28,
20 2015?

21 A Yes.

22 Q So really, if somebody wanted to
23 verify which corporation was involved, all you
24 had to do was to look at when the corporations
25 were formed, look at the public tax return, and

1 Martin Trott - Volume III

2 you would have known, correct?

3 MR. BROWNLEE: Objection. Calls
4 for speculation.

5 Q I don't think it calls for
6 speculation, but you can answer.

7 A Yes, if -- if these are different
8 Hutton Ventures, and, if one was formed after the
9 relevant time, then, yes.

10 Q And, here, the California
11 corporation that was involved in the student loan
12 scandal, apparently, was formed on May 2, 2016,
13 and the loan was made to Hutton Ventures on
14 January 6, 2016, correct?

15 A Yes. Again, if -- again, if
16 these are -- if as you say these are -- these are
17 different Hutton Ventures, then one has been
18 confused with the other.

19 Q Well, the Hutton Ventures in
20 California has been suspended and apparently is
21 no longer doing business. Do you know whether
22 the Hutton Ventures in Delaware has been
23 suspended?

24 A I do not, no.

25 Q Did you make any attempt to contact

1 Martin Trott - Volume III

2 anyone at Hutton Ventures to verify whether it
3 was the same company?

4 A No.

5 Q Did you make any attempt to contact
6 anyone at the Foundation to ask them?

7 A No.

8 Q Did you make any attempt to contact
9 the Foundation's accountant or anyone else to
10 verify whether the allegation that you were
11 making against the Foundation was true or not in
12 terms of Hutton Ventures LLC?

13 A No contacts, no. This was based
14 off of our investigation and review of the
15 records.

16 Q Not a very good investigation.

17 MR. BROWNLEE: Objection. Move on.

18 Q You also state in paragraph 152:

19 "On information and belief,
20 Huberfeld and Nordlicht used Hutton Ventures LLC
21 as an intermediary to provide Nordlicht with a
22 \$7.5 million in loan funds from the Huberfeld
23 Family Foundation in exchange for a mortgage on
24 real estate owned by Mark Nordlicht."

25 What are you basing that allegation